

Presentment Date: February 15, 2011 at 12:30 p.m. ET

Objection Deadline: February 15, 2011 at 12:00 p.m. ET

AKIN GUMP STRAUSS HAUER & FELD LLP

One Bryant Park

New York, New York 10036

(212) 872-1000 (Telephone)

(212) 872-1002 (Facsimile)

Ira S. Dizengoff

Arik Preis

Counsel to Debtors and Debtors in Possession

-and-

JONES DAY

222 East 41st Street

New York, NY 10017

Phone: (212) 326-3939

Fax: (212) 755-7306

Lisa G. Laukitis

Steven C. Bennett

Counsel to Jefferies & Company, Inc.

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

TERRESTAR NETWORKS INC., *et al.*,¹

Debtors.

)
) Chapter 11
)
) Case No. 10-15446 (SHL)
)
) Jointly Administered
)

**STIPULATION AND AGREED ORDER RESOLVING JEFFERIES & COMPANY,
INC.'S MOTION FOR ESTIMATION AND TEMPORARY ALLOWANCE OF CLAIMS**

This stipulation (the “*Stipulation*”) is entered into by and among counsel for the above-captioned debtors (the “*Debtors*”) and counsel for Jefferies & Company, Inc. (“*Jefferies*”)

(collectively, the “*Parties*”). The Parties hereby stipulate and agree as follows:

¹ The debtors in these chapter 11 cases, along with the last four digits of each debtor’s federal taxpayer identification number, are: TerreStar New York Inc. (6394); TerreStar Networks Inc. (3931); Motient Communications Inc. (3833); Motient Holdings Inc. (6634); Motient License Inc. (2431); Motient Services Inc. (5106); Motient Ventures Holding Inc. (6191); MVH Holdings Inc. (9756); TerreStar License Inc. (6537); TerreStar National Services Inc. (6319); TerreStar Networks Holdings (Canada) Inc. (1337); TerreStar Networks (Canada) Inc. (8766); and 0887729 B.C. Ltd. (1345).

WHEREAS, on October 19, 2010, each of the Debtors filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”); and

WHEREAS, certain debtors (collectively, the “**TSN Debtors**”) filed the *Joint Chapter 11 Plan of TerreStar Networks Inc., TerreStar National Services Inc., 0887729 B.C. Ltd., TerreStar License Inc., TerreStar Networks Holdings (Canada) Inc., and TerreStar Networks (Canada) Inc.*, dated as of November 5, 2010 (as amended from time to time, the “**Plan**”); and

WHEREAS, on December 7, 2010, Jefferies filed identical proofs of claim (the “**Proofs of Claim**”)² against each of the thirteen Debtors in these chapter 11 cases, each asserting a claim (the “**Claim**”) in the amount of \$13,847,991 (the “**Claim Amount**”); and

WHEREAS, on December 28, 2010, the Debtors filed their Omnibus Objection to Proofs of Claim Filed by Jefferies & Company, Inc. (the “**Objection**”) [Docket No. 327].;

WHEREAS, a hearing (the “**Objection Hearing**”) to consider the Objection will be held before the Honorable Sean H. Lane, United States Bankruptcy Judge, at the Courthouse, Alexander Custom House, One Bowling Green, Room 701, New York, New York 10004 on March 4, 2011, at 10:00 a.m. (prevailing Eastern Time);

WHEREAS, on January 14, 2011, Jefferies filed its Motion for Estimation and Temporary Allowance of Claims Pursuant to Rule 3018(a) of the Federal Rules of Bankruptcy Procedure For Purposes of Accepting or Rejecting the Debtors’ Joint Plan of Reorganization (the “**Motion**”) [Docket No. 349];

² Claim numbers and debtors are as follows: claim no. 53, against Motient Holdings Inc.; claim no. 54, against Motient License Inc.; claim no. 55, against Motient Services Inc.; claim no. 56, against Motient Ventures Holding Inc.; claim no. 57, against MVH Holding Inc.; claim no. 58, against TerreStar License Inc.; claim no. 59, against TerreStar National Services Inc.; claim no. 60, against TerreStar New York Inc.; claim no. 61, against TerreStar Networks Inc.; claim no. 62, against TerreStar Networks Holdings (Canada) Inc.; claim no. 63, against TerreStar Networks (Canada) Inc.; claim no. 64, against 0887729 BC Ltd.; and claim no. 65, against Motient Communications Inc.

WHEREAS, the deadline for the Debtors to respond to the Motion is February 9, 2011, at 4:00 p.m. (prevailing Eastern time); and

WHEREAS, a hearing (the “**Motion Hearing**”) to consider the Motion will be held before the Honorable Sean H. Lane, United States Bankruptcy Judge, at the Courthouse, Alexander Custom House, One Bowling Green, Room 701, New York, New York 10004 on February 16, 2011, at 2:30 p.m. (prevailing Eastern Time);

WHEREAS, the Parties agree that the Motion Hearing and the Objection Hearing will be unnecessarily duplicative;

IT IS HEREBY STIPULATED AND AGREED:

1. Solely for purposes of submitting its votes before February 18, 2011 at 5:00 p.m. (prevailing Eastern time) (the “**Voting Deadline**”), Jefferies shall be entitled to vote the Claim Amount at each TSN Debtor, subject to the Court’s ultimate determination at the Objection Hearing regarding the Proofs of Claim (as described in paragraphs 2 and 3, below).

2. If the Court determines at the Objection Hearing that one or more of the TSN Debtors is not liable to Jefferies (each such entity a “**Non-Liable Debtor**”), the applicable Proof of Claim filed against each such Non-Liable Debtor shall be disallowed in its entirety and expunged. For the avoidance of doubt, Jefferies’ vote to accept or reject the Plan for each Non-Liable Debtor, on account of Jefferies’ disallowed and expunged Proof(s) of Claim, shall be disregarded in its entirety as if the Proof(s) of Claim had never been filed against each such Non-Liable Debtor and Jefferies’ vote had not been solicited on the Plan for each such Non-Liable Debtor.

3. If the Court determines at the Objection Hearing that one or more of the TSN Debtors is liable (each such entity a “**Liable Debtor**”) to Jefferies, the Court shall make a

determination at the Objection Hearing regarding the allowed amount of Jefferies' Claim against each Liable Debtor (the "***Allowed Claim Amount***"). Jefferies' vote to accept or reject the Plan for each Liable Debtor on account of the Proof(s) of Claim shall be counted, for purposes of calculating the votes on each Liable Debtor's Plan, in the Allowed Claim Amount.

4. Upon entry of this Stipulation, the Motion shall be deemed withdrawn in its entirety.

5. This Court shall retain jurisdiction with respect to all matters arising from or relating to the implementation of this Stipulation and Order.

New York, New York
Dated: February 9, 2011

AKIN GUMP STRAUSS HAUER & FELD LLP

JONES DAY

By: /s/ Ira S. Dizengoff
Ira S. Dizengoff, Esq.
Stephen M. Baldini, Esq.
Arik Preis, Esq.
Joseph L. Sorkin, Esq.
One Bryant Park
New York, New York 10036
Telephone: (212) 872-1000
Fax: (212) 872 -1002

By: /s/ Lisa G. Laukitis
Lisa G. Laukitis, Esq.
Steven C. Bennett, Esq.
222 East 41st Street
New York, NY 10017
Phone: (212) 326-3939
Fax: (212) 755-7306

Counsel to the Debtors and Debtors in Possession

Counsel to Jefferies & Company, Inc.

SO ORDERED, this ____ day of _____ 2011

THE HONORABLE SEAN H. LANE
UNITED STATES BANKRUPTCY JUDGE